

**ASSEMBLY BILL**

**No. 2692**

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**Introduced by Assembly Member Fong**

February 21, 2014

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An act to add Section 89521.5 to the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 2692, as introduced, Fong. Political Reform Act of 1974: expenditures.

The Political Reform Act of 1974 regulates the expenditure of campaign funds held by a committee. The act requires that an expenditure of campaign funds that confers a substantial personal benefit be directly related to a political, legislative, or governmental purpose. The act defines “substantial personal benefit” to mean an expenditure of campaign funds that results in a direct personal benefit with a value of more than \$200 to a candidate, an elected officer, or an individual with authority to approve the expenditure of campaign funds held by a committee.

The act is administered and enforced by the Fair Political Practices Commission. The Commission is authorized to hold administrative hearings, as prescribed, to determine if a violation of the act has occurred. The act authorizes the Commission to issue an order imposing various administrative remedies if the Commission determines that a violation of the act has occurred, including a monetary penalty of up to \$5,000 per violation payable to the General Fund.

This bill would provide that if the Commission determines in an administrative action that an expenditure has been made that confers a substantial personal benefit but is not directly related to a political,

legislative, or governmental purpose, in violation of the act, the individual who received the substantial personal benefit shall pay to the state General Fund, in addition to any administrative penalty imposed by the Commission, an amount equal to the substantial personal benefit that he or she received.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 89521.5 is added to the Government  
2 Code, to read:

3 89521.5. (a) If the Commission determines, in an  
4 administrative action brought pursuant to Chapter 3 (commencing  
5 with Section 83100), that an expenditure has been made that  
6 confers a substantial personal benefit but is not directly related to  
7 a political, legislative, or governmental purpose, in violation of  
8 Section 89512 or subdivision (b) of Section 89512.5, the individual  
9 who received the substantial personal benefit shall pay to the  
10 General Fund of the state an amount equal to the substantial  
11 personal benefit that he or she received.

12 (b) An amount paid to the General Fund pursuant to subdivision  
13 (a) shall be in addition to any penalty imposed by the Commission  
14 pursuant to Section 83116.

15 SEC. 2. The Legislature finds and declares that this bill furthers  
16 the purposes of the Political Reform Act of 1974 within the  
17 meaning of subdivision (a) of Section 81012 of the Government  
18 Code.